

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

January 16, 1974

BEFORE THE PUBLIC SERVICE COMMISSION

IN RE: Application for Tariff Changes)
by Piedmont Natural Gas Company, Inc.)

DOCKET NO. 17,250
ORDER NO. 17,347✓

TO: PIEDMONT NATURAL GAS COMPANY, INC.

On January 7, 1974, Piedmont Natural Gas Company, Inc. (Piedmont) filed a tariff adjustment identified as "Interruptible Natural Gas Service Temporary Emergency Tariff Adjustment Rider". The rider provides for a tariff adjustment of 12.77¢ per MCF for all gas sold to all interruptible customers during the period January 16, 1974, through April 30, 1974. The requested tariff adjustment represents the amount necessary to recover revenue losses as a result of a shift in gas sales from firm customers to interruptible customers as hereinafter more fully set forth.

Piedmont purchases gas from Transcontinental Gas Pipe Line Corporation (Transco) and from Carolina Pipeline Company (Carolina) both of which suppliers are currently curtailing deliveries of gas to Piedmont. As a result of curtailment by these suppliers, less gas will be available for sale in Piedmont's service area in South Carolina. In addition, many of Piedmont's industrial customers are experiencing difficulties in obtaining alternate fuels. If these industrial customers are unable to obtain gas, they will be forced to curtail their operations. Such curtailment of operations would result in unemployment and economic dislocations.

As a result of requests by the President of the United States and other governmental agencies, Piedmont's South Carolina residential and other firm customers have voluntarily reduced their consumption of natural gas. This voluntary curtailment by firm customers is making gas available to interruptible customers and thereby preventing unemployment and economic dislocation; however, because the rates for interruptible gas service are less than the rates for firm service, the shift in sales from firm customers to interruptible customers is resulting in a loss of revenues to Piedmont.

The Commission is of the opinion that those firm customers who have voluntarily curtailed their gas use in order to make gas available for prevention of unemployment should not bear the burden of the revenue losses resulting from the shift in gas sales from firm customers to interruptible customers and that such revenue losses should be recovered from those interruptible industrial customers who are obtaining the benefit of the shift in sales and to allow Piedmont to maintain its present level of revenues in order to continue to provide adequate and reasonable service.

It is, therefore, ORDERED, for the reasons set forth above:

1. That a tariff adjustment of 12.77¢ per MCF for all gas sold to all interruptible customers during the period January 16, 1974 through April 30, 1974, be denied.

2. That a tariff adjustment of 12¢ per MCF for all gas sold to all interruptible customers during the period January 16, 1974, through April 30, 1974, be approved.

3. That the tariff adjustment identified as "Interruptible Natural Gas Service Temporary Emergency Tariff Adjustment Rider" be effective for the period beginning at the date of this Order and ending on May 1, 1974, provided no objections are received, in writing, by the Commission within 20 days of this Order from the interruptible customers affected.

4. That Piedmont notify each of its interruptible customers affected by said tariff adjustment by mail within 10 days of the date of this Order.

5. That this Order shall become effective for all gas usage by Piedmont's interruptible customers beginning January 16, 1974, provided however, that if any objections

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are received, in writing, by the Commission from any interruptible customer affected within 20 days, the Commission will consider such objection at that time.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Ass't. Director-Administrative Services

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